



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 11, 2008

H.R. 3033

Contractors and Federal Spending Accountability Act of 2008

*As reported by the House Committee on Oversight and Government Reform
on March 13, 2008*

SUMMARY

H.R. 3033 would require the Administrator of the General Services Administration (GSA) to establish and maintain a comprehensive and publicly accessible list of certain criminal, civil, and administrative proceedings against federal contractors and grant recipients. The bill also would require new regulations for federal contractors, impose new responsibilities on the Interagency Committee on Debarment and Suspension (ISDC), and require a report to the Congress on federal contracting and grants.

CBO estimates that implementing H.R. 3033 would cost \$5 million in 2009 and about \$20 million over the 2009-2013 period, assuming appropriation of the necessary amounts. Enacting the legislation would not affect direct spending or revenues. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3033 is shown in the following table. The cost of this legislation falls within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2009	2010	2011	2012	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	5	5	4	3	3
Estimated Outlays	5	5	4	3	3

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2009, that the necessary funds will be provided for each year, and that spending will follow historical patterns for similar programs.

Under current law, the Federal Acquisition Regulation requires all federal agencies to procure goods and services only from contractors determined to be “responsible.” To assess a contractor’s responsibility, a contracting officer may use a variety of databases, such as the Web-based Excluded Parties List System, which provides information about whether or not a contractor is debarred or suspended from government contracting, or the Past Performance Information Retrieval System, which contains information on the past performance of contractors doing work for the government. In addition, contractors provide certifications in which they verify whether they have been involved in civil and criminal proceedings during the previous three years.

H.R. 3033 would establish a single comprehensive database of federal spending that would be available through a public Web site. That database would list all entities receiving federal funds and information on the integrity and performance of federal contracts and grant recipients. In addition, the legislation would require agencies to initiate debarment proceedings against any federal contractor that has faced two adverse rulings within a three-year period. H.R. 3033 also would provide new authorities for the ISDC, and require GSA to provide to the Congress a list of all databases concerning federal contractors and grants and to recommend procedures to centralize that information.

According to OMB, GSA, and private firms, the government currently collects much of the information necessary to create a comprehensive database on the integrity and performance of federal contractors and grantees. CBO estimates that updating and expanding those efforts and adding a search engine through a Web site to create a single comprehensive database would cost about \$10 million over the 2009-2010 period. Those amounts include the costs of new regulations, additional government-wide training, and the annual report to the Congress. CBO also estimates that it would cost between \$3 million and \$4 million in subsequent years to maintain the database and for ISDC to undertake its additional responsibilities.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3033 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would require state, local, and tribal governments to provide OMB with information on how they spend money received from the federal government. Such requirements could

be costly to intergovernmental entities, but any costs would result from complying with conditions for federal assistance.

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